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ABSTRACT

Some "hidden" consequences of an organization's goals, practices, and procedures on the climates created for employees were reviewed, beginning with an exploration of some potential impacts of a lack of fit between goals and means to obtain goals on climate and eventual employee behavior, referring particularly to differences between product- and service-intensive industries. Implications the climates an organization creates for its employees were examined with respect to the attraction and retention of employees. Finally, the kinds of organizational climates created for the reward and support of individual differences in ability and personality were discussed with reference to the predictability of employee performance. It was concluded that organizations must take a broad systems approach to thinking about the intended and unintended effects of chosen goals and the implementation of practices and procedures since the climates created by them will be demonstrated in many ways: attracting employees, employee behavior, dictating orientation, and determining success or failure. (Author/AG)

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Organizational Climate

20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

Some "hidden" consequences of an organization's goals, practices and procedures on the climates created for employees are reviewed. First some potential impacts on climate and eventual employee behavior of a lack of fit between goals and means to obtaining the goals are explored, especially with reference to differences between product - and service-intensive industries. Then some implications the climates an organization creates for its employees are examined with respect to the attraction and retention of

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employees. Finally the kinds of organizational climates created for the reward and support of individual differences in ability and personality are discussed with reference to the predictability of employee performance. Probing these ideas leads to the conclusion that organizations must take a broad systems approach to thinking about the effects, both intended and unintended, of the goals they choose and the practices and procedures they implement because the climates created by choosing certain goals and implementing specific practices and procedures will show in many ways.

How Do Your Climates Show?:
Let Us Count Some Ways

Benjamin Schneider

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A recent emphasis in the study of organizational behavior has been the subject of organizational climate. While there is still little specific agreement on how the topic should be defined, studies dealing with the set of concepts climate encompasses are generally concerned with the summary perceptions, abstractions or conceptions about the psychological meaning organizational practices and procedures have for their members. By psychological meaning I mean the extent to which organizational practices and procedures enter into members' ways of thinking about their organization and thus affect the way they behave in their organization (Schneider, 1974a).

A number of ideas from field and laboratory studies on climate now seem to be emerging with some clarity. First, it seems clear that climate is not something directly amenable to change. As perceptions, climate conceptions are based on formal and informal organizational conditions, events, practices and procedures; it is the cues individuals use as a basis for their conceptions of the organization that are amenable to change (Schneider, 1974a; Tagiuri, 1968).

A clear example of the view that changes in climate perceptions are accomplished by changing the conditions, practices and procedures in an organization was presented by Seashore and Bowers (1970) in a discussion of the famous Weldon Manufacturing Company organizational change project. They noted that in order to change an organization from an authoritarian philosophy to one having a more participative philosophy, the following elements required attention:

"1. It was assumed that employees would have to gain a realistic sense of security in their jobs and that this security would have to arise basically out of their own successful efforts to improve their organization and performance, not out of some bargained assurances.

2. The introduction of substantial change in the work environment requires that employees have confidence in the technical competence and human values of the managers and supervisors; this confidence can be earned only if it is reciprocated by placing confidence in employees.

3. In a situation of rapid change it is particularly necessary to use procedures of participation in the planning and control of the work and of the changes; such procedures are needed at all levels of the organization.

4. The rebuilding of an organization may require an input of technical resources and capital on a substantial scale--not unlike the investments required to rework a technology or control system of a factory.

5. Management involves skills and attitudes that can be defined, taught and learned, and these skills and attitudes need not be confined to high rank staff; each member of the organization, at least in some limited degree, must learn to help manage his own work and that of others related to him."

Finally, in summary they noted the same position I have advocated above:

"6. Guidelines such as these are not readily understood and accepted unless they can be linked to concrete events..."

For each element I have italicized that part indicating the action to be taken which would result in the change in philosophy.

A second important, yet unstated, idea coming from climate research is that the perceptions people have of their organization can be trusted. That is, research evidence shows that people in the same work setting tend to agree on the practices and procedures that occur there. When members do agree on

the psychological nature of their work environment, their work climate, this is as "real" or "hard" for them as structural characteristics like technology or size.

In this context, it is important to note that while climate perceptions are as real as structural properties for people in the organization, they are more psychologically meaningful since they reside in the perceptions of people. This leads to a further necessary distinction, the difference between climate and job satisfaction. Job satisfaction is an individual's affective state regarding the outcomes derived from, or evaluations of, the events, conditions, practices and procedures of an organization. Climate perceptions are not so individually oriented; they are not so contaminated by an individual's system of needs and values.

Schneider and Snyder (1974) showed, for example, that when climate and job satisfaction perceptions were assessed in 50 life insurance agencies: (1) people in different positions in the agencies agreed much more often on their climate perceptions than on how satisfied they were; (2) the agency members who were most satisfied were not at all necessarily the same ones who described the agency as having positive practices and procedures; and (3) job satisfaction was a more useful predictor of employee retention and turnover than were climate perceptions.

A third idea from climate research follows from the above and suggests that people in organizations adapt their behavior to fit their shared conceptions of what the organization's climates require, reward and/or support. Katz and Kahn (1966, pp. 338ff) discussed the role of climate in setting the tone for the kinds of behavior that employees will display. They noted that "...when we speak about practices and procedures which will further the attainment of the organizational mission, we need to specify the type of behavioral requirement involved (p. 340)."

Katz and Kahn concentrated on the types of motivational patterns an organization may establish in order to create a willingness on the part of employees to engage in behaviors not formally prescribed in their job descriptions. We may think of these motivational patterns as the system of rewards which support (1) the attraction and retention of personnel, (2) the fulfillment of role requirements, (3) the display of innovative behavior, (4) cooperative behavior, (5) behavior protective of the organization, and (6) self-educative behavior. The important point is that an organization, by its systems of rewards, practices and procedures, by implication attaches meaning to a number of different kinds of behavior employees display and these implications extend beyond simply doing what their job description says.

Thus, there is an important distinction to be made between what an employee does and how the employee does it. Here I refer to the fact that an organization's climates imply not only what should be accomplished but how it should be done. The word imply refers to the fact that since no organization can specify all of the kinds of behavior it desires, the conceptions members have of the climates prevailing in their organization are used by them as a guiding theme when they have to behave in new unusual or previously unspecified situations. An example clarifies this idea.

In a carefully controlled experiment Frederiksen, Jensen and Beaton (1972) investigated the impact of different organizational climates (Rules-oriented or Innovation-oriented; Detailed supervision or Global supervision) on In-Basket performance (Frederiksen, 1962).[3] While there were a number of "main effects" of the resultant climates on level of performance, one of the more interesting findings from the study concerned the effects of climate on how people carried out the various tasks facing them. Frederiksen and his co-workers showed, for example, that people who took a "thoughtful" approach to solving In-Basket

problems under an Innovative or Global climate interacted with their peers in solving problems. People in a Rules or Detailed supervision climate who also took a thoughtful approach to problem solving worked through their superiors. In other words, what the climate implied rather than the behavior that was specifically required dictated the way in which employees approached the task.

A fourth interesting concept derived from climate research is that organizations create many climates as a result of their practices and procedures (formal and informal); this is the reason for the use of the plural term "climates" in the title. Above we listed 6 kinds of behaviors Katz and Kahn mention that might require different kinds of climates before the appropriate behavior is displayed. However, it is interesting to note that behavioral scientists have tended to concentrate their climate research on leadership or managerial style as if the supervisor alone creates the climates of an organization.

The emphasis on supervisory style as the determinant of climate probably has its origin in the fact that the earliest investigations of climate were concerned with the effects of leadership behavior or "social climate" (Lewin, Lippitt & White, 1939), the failure of human relations training of foremen to yield positive outcomes because of the kind of "leadership climate" existing in the home organization (Fleishman, 1953) and the influence of Douglas McGregor and his ideas concerning "managerial climate" (McGregor, 1960). More recent investigations reveal that organization, through practices and procedures relatively unrelated to supervisory style (like reward policies or selection practices) create climates for creativity, for the display of various motivations, for power, for experiencing psychological success, for selecting particular kinds of people, for dealing with the organization's external environment, and even for the display of deceitful and dishonest behavior (Hellriegel & Slocum, 1974; Schneider, 1974a).

Organizations create these climates and members of the organizations respond in accord with the implications of those climates. In the remainder of the paper I should like to detail some of the hidden ways organizations create climates and some of the hidden effects of climate on the behavior of organizational members. In particular, I will examine some of the overlooked effects of climates on the eventual effectiveness organizations may have in understanding employee behavior, in attracting and retaining an effective work force and in predicting the behavior of individual employees at the time of hiring.

Goals and Means: Product vs. Service

Goals: A fundamental task of organization management is the specification of organizational goals. Specifying organizational goals can have an important impact on how people conceptualize their organization. This happens because the goals an organization has frequently imply the means to obtaining the goals. Indeed, organizations which do not specify their goals may find that employees have different conceptions of what the goals are; they will behave according to their conceptions.

Dieterly and Schneider (1974) have recently shown how a stated goal of an organization can affect the way members conceptualize their organization. In a simulated work setting, people working at a clerical task (reviewing credit applications) were told they worked either for a company devoted to providing good service to customers or making a profit for stockholders. These two different goal orientations had a dramatic effect on how the organization was perceived: In the customer orientation, compared to stockholder orientation, members perceived the organization as promoting individual autonomy and rewarding people for their efforts.

One of the earliest studies of climate in a field setting, by Fleishman (1953), showed how the conditions the organization created for its employees was in opposition to a stated goal of the organization. The goal of the organization was to have foremen display more of a human relations orientation to their subordinates. In pursuit of this goal, the company sent its foremen to a human relations training program.

After the foremen returned to their jobs, a follow-up showed that some foremen were using the skills they acquired in the human relations program while others had not put their newly acquired skills into practice. Detailed analyses showed that trainees returning to a climate supporting the use of a more personal orientation ("consideration") to supervision were using their human relations skills while those who worked in a non-supportive climate were not using the human relations orientation the company had sent them to acquire.

The important question for an organization as shown in the Fleishman research described above is whether the goal and means are congruent. Litwin and Stringer (1968) showed, for example, that when organizations were required to be innovative in creating new products and they were restricted to working in an experimentally created authoritarian climate, this created tension on the part of members because they perceived that the goal of being innovative did not fit with the management climate under which they were forced to operate.

This kind of finding seems consistent enough in the literature for us to suggest that when organizations consider specifying their work goals they also must consider what these goals imply about the conditions they must create for facilitating the accomplishment of those goals. If the goal is more individual initiative, then the organization must create conditions that imply to members that individual autonomy will be rewarded and facilitated; if the goal is a more considerate foreman, then conditions rewarding and facilitating such

behavior must be established. As noted in the introduction, to change the perceptions people have of their organization, the events, conditions, practices and procedures under which they work must be changed.

Service- vs. Product-Intensive Organizations: A concept closely allied to a consequence in means-ends relationships is the question of the raison d'etre of the organization. Today 70 percent of the work force in the United States is devoted to providing services. In earlier times when employee behavior was primarily oriented to the production of goods, the climates created in an organization could be thought of as affecting only the production and satisfaction of organizational members (although we shall note below that this, also, was a narrow conceptualization of the effects of creating certain kinds of conditions). The dramatic shift in the reason for the existence of organizations, from product to service, should have produced an equally dramatic shift in the way management conceptualized the kinds of behavior required by its human resources; it did not. Organizations continue to think about employees as producers of tangible goods rather than as people providing services to other people.

A production-oriented climate stressed efficiency, rationality, and the assessment of performance in terms of production and quality; it was relatively easy to count who was the better employee. In such a relatively closed system the effectiveness of manipulations on the part of management to "improve" the organization could be assessed relatively quickly and directly.

Consider the service organization: the goal here is satisfying the needs of those being served. Employees in a service organization are required to satisfy the needs of others. The question we must ask is: If employees must satisfy the needs of others, will they do this when their own needs are not being satisfied? How service-oriented will an employee be if he or she is in turn not being satisfied?

The research reviewed above by Dieterly and Schneider (1974) suggests some answers. Their research indicated that in a customer-oriented organization people think the climate will be more rewarding and promote individual autonomy. That is, there may be certain expectations people bring with them to organizations depending on whether it is service- or product-intensive. Unfulfilled expectations, we know, play an important role in employee satisfaction and subsequent absenteeism and turnover (Porter & Steers, 1973). There is even some evidence to suggest that employee satisfaction and customer satisfaction are correlated. Pickle and Friedlander (1967) studied 97 small companies and showed positive correlations across those companies between measured customer and measured employee satisfaction. Elsewhere (Schneider, 1973) I have suggested how employee satisfaction and customer turnover are probably related. Again we are forced to ask: Do the practices and procedures, the climates, created in an organization fit the demands made on employees? As Etzioni (1964) notes: "Some characteristics of organizations even make for insensitivity to the consumer. Many lower-level clerks and sales workers who come in contact with customers are organization-oriented and not customer-oriented (p. 100)." We can assume this is because their rewards are connected with being organizationally-oriented.

The fact that we are unable to summarize more research in this area indicates the failure to consider the differences between service- and product-intensive industries. However, it is interesting to note that companies in service industries have been those most likely to institute changes directed at meeting employee needs. AT&T with job enrichment, Occidental Life with flexi-time, IBM with a relatively complex and complete behavioral science program--these are service industries adapting to the demands of their service-oriented environment. Some recent changes the Catholic Church has made in

the work conditions it creates for priests is another example of a service industry creating a congruence between what it requires of members and how it treats members (Hall & Schneider, 1973).

Attracting Appropriate Employees

In considering the product vs. service orientation of organizations, we conceptualized those served to be in intimate contact with the organization, to be, in effect, inside the organization's boundaries. While Chester Barnard (1948) stressed this view of customers almost 30 years ago, we found little empirical study of the problem.

A second group of people may be thought of as being inside the organization's boundaries--potential organizational members. How can the climates an organization creates affect potential members? Primarily in the kind of people the organization attracts.

Most organizations probably think of themselves as selecting their members from a group of applicants. This thinking fails to account for why the applicants came to the organization in the first place. Of course some people apply to organizations because they perceive no other alternatives and still others are recruited. But many people apply for organizational membership on the basis of some usually implicit considerations of "what the place has to offer" (Vroom, 1964, 1966).

It seems fairly clear that people enter occupations that will reward their desires and which fit their interests and abilities (Crites, 1969). But on what bases do they choose to enter particular kinds of organizations? Here, too, there is little empirical evidence, but the evidence that does exist permits us to engage in some speculation.

People seek information to use as a basis for their decisions. Choosing an organization is a decision, so one can think about people as seekers of information on which they can base their choice (Vroom, 1964). Two kinds of

theories of occupational choice lead to the same conclusion that the kind of information people seek about an occupation is the extent to which the occupation will permit fulfillment of their self-esteem (Korman, 1970) and their needs (Lawler, 1974). Other things being equal, it can be predicted that the organization which people perceive to have a climate in which individual needs are rewarded is the one that will be chosen by the most diverse group of potential employees. This means that any organization can choose to base its intrinsic and extrinsic reward system on a particular category of rewards, say money or job challenge. But such an organization will then only tend to attract people who desire the particular kinds of rewards the organization offers.

Another orientation an organization can take is to reward the different desires different people have; the organization can promote a climate of individualized rewards (Lawler, 1971). In this way the company would be able to attract people with different kinds of desires or personalities, resulting in a more dynamic mix of organizational employees rather than a stereotyped "organization man". But how do people find out about the rewards associated with being a member of a particular organization?

Elsewhere (Schneider, 1972) I have suggested that an important source of such information is an organization's current employees. In this view, employees transmit information about the climate of the organization they work for in their everyday conversation with family, friends, relatives and social acquaintances. Because what a person does and where he does it is such a central part of his or her identity, it is a natural topic of conversation. When two adults first meet one of the things they talk about is "what do you do, where do you do it, and what kind of a place is it." The sharing of this kind of information helps establish people's identities vis a vis others (Hall, 1971). However, information about the "kind of place it is" can become public

information and, in the absence of other information, may become determinant when people having access to such data make their organizational choices. There is some evidence to indicate that the climate expectations of new employees are significantly correlated with the climate perceptions of people already holding the job the new employee was hired for (Schneider, 1972). This, then, is another way in which an organization's climates may "show"; the kind of applicant mix from which an organization can choose its employees.

Prior to leaving the topic of attracting new employees, consideration of the retention of employees would seem to be an equally important focus of interest. Retention of employees has long been a topic of behavioral science interest in work organizations. Most often retention is viewed as an outcome of the organization's ability to satisfy employee needs while the employee is on the job (Porter & Steers, 1973).

More recently, however, Dachler and I (Schneider & Dachler, 1972) have been conducting research on other factors, indirectly connected with the job and the organization, that may impact on employee decisions to participate or withdraw from a particular job. Although only in an early stage of investigation, our interviews indicate that the way an employee thinks his or her family views the employee's job and company is an important consideration in the turnover decision. Perhaps even more interestingly, independent interviews with the spouse tend to corroborate the employee's thinking about how the spouse views their work and the employing organization. Such factors as job prestige or status, company policies regarding pay and fringe benefits, and the psychological reactions the employee brings home seem to be important topics of family discussion.

Thus it appears as if the decision to stay with or leave an organization may be, for married people, a family decision that is influenced by a sharing of information about the job and company rather than simply a decision an

employee makes based on what only he or she feels. Clearly, then, an organization's practices and procedures, its climate, extends outside the organization not only to potential employees but to the family of present employees. In both cases, there are "hidden" consequences of the conditions created in the work setting.

Predicting Employee Behavior

Every organization is interested in selecting people who can meet the various criteria of effectiveness it considers essential for good performance. However, creating climates that will make an organization attractive to potential employees is but one step in the direction of being able to predict which of the applicants will prove effective.

The capability to predict employee effectiveness has been one of the most successful technologies emerging from the behavioral sciences for application in industry. But in the past forty or so years the success in judging the eventual effectiveness of potential employees has not changed very much. Rarely are we able to obtain correlation coefficients above .50 or .60 between measures taken on individuals before they are hired and their rated job success at some later point in time (Guion, 1974). Organizations, and psychologists themselves, have tended to blame this relative lack of validity on poor tests, poor criterion measures, or both.

An alternative explanation for the low validity of measures of individual differences in predicting performance on the job is that most organizations do not reward, support or really even require people to display their individual differences on the job (Schneider, 1974b).

Take the typical assembly-line factory job, for example. Each worker on the line is rewarded for doing the same thing as every other worker; indeed he or she is required to work at the same pace, he or she receives the same

pay, reports for work at the same time, and so forth. Some selection procedure administered prior to employment that reveals individual differences in employees cannot be expected to correlate with performance on the job because people on the job must behave similarly. And if the organization does not require similar behavior, then other workers already on the job, through social pressure (Schein, 1970), will require it. For example, Haas (1972) in observing the way in which high steel ironworkers learn their job, presented the following description:

> "For the neophyte ironworker, running the iron is a crucial test. The new apprentice must work high above the ground with nothing beneath him but a four- to eight-inch beam. He receives no training or advice about maintaining his balance or maneuvering across the steel. He runs the iron before the critical eyes of other workers. His only clue to proper performance is the performance of other workers [and they bring this about] by binging [all forms of harsh verbal harrassment]." (pp. 28-29)

Formally, or informally, the new worker becomes acculturated to his job.

Lest we think the requiring of common behavior only applies to assembly line workers, picture the new management trainees in your organization. Perhaps they were hired after an Assessment Center or a battery of tests and interviews. In the selection process, these new management trainees were probably encouraged to "do your best" on the various ability tests and to "be yourself" on the personality and interest tests or in the interviewww sessions. But how many management trainees are actually placed in positions where they can "do their best" or "be themselves"; how many are rather given

routine tasks with previously established routine solutions? Schein (1964) has shown the high turnover of new college graduates because of the lack of stimulation and challenge they experience in their first jobs as management trainees. Yet the basis for initial selection was most likely some prediction about how they would respond to challenge!

Asking the selection process to predict performance that is not the performance permitted to be displayed on the job is not a fair test of our capability to predict long-term individual job effectiveness. The job and, more importantly the job situation, must be such that the organization rewards, supports, expects and encourages people to do their best and be themselves.

There is a growing set of evidence available to support the argument presented above. The first such evidence comes from a massive survey done by Ghiselli (1966) on the validity of tests in predicting performance in the work setting. Because Ghiselli found that tests were overwhelmingly better predictors of training performance than for predicting on-the-job performance, he presented both kinds of data in his very useful monograph.

It seems reasonable to conceptualize the training situation as one which allows for the display of more individual differences than the job permits. Indeed there is a consistent finding that training increases the range of individual differences in a group of people. We can hypothesize that because training magnifies individual differences, tests of individual differences are able to predict training performance. Once on the job people may respond to a climate which requires routine rather than individualized behavior but, since the tests are designed to predict differences in job behavior they are not useful when people must behave similarly. The difference between the behavior required in training and behavior required on the job may also account for the low relationships found between training performance and on-the-job performance.

Forehand (1968) found some interesting data of a similar nature. He obtained climate descriptions of government organizations regarding their tendency to be rules-oriented or to emphasize group participation in decision-making. In both kinds of organizations he obtained peer ratings of employees with respect to their innovativeness. He correlated nine different tests of intellectual capability with the peer ratings and found that 8 of the 9 were significantly correlated with innovativeness in the group-participation condition while none of them were significantly related to the criterion in the rules-centered condition. Forehand, in conclusion to his study, noted that climate studies:

> "...should ask about the interaction of person variables and environmental variables, and should consider environmental variations in terms of the degree to which they demand or constrain the operation of personal characteristics." (p. 80)

Dunnette (1973), a long-time advocate of an individual differences-oriented approach to understanding employee behavior, has recently reached a similar conclusion:

> "An employer's major goal, quite simply, should be to do everything he can to assure ("allow") each employee to give full expression to his abilities, skills, and aptitudes." (p. 25)

Dunnette reached this conclusion after reviewing a number of studies in which he (and others) showed that the best predictor of performance was an ability measure <u>when organizational practices rewarded the display of individual differences in ability</u>. When organizations rewarded people inequitably (either through under or overreward) or the reward system (pay) was on an hourly basis

(rather than rewarding people for what they, as individuals, accomplished in the hour), ability was relatively uncorrelated with performance.

I (Schneider, 1974b) have recently shown that life insurance agencies can be clustered into types on the basis of their climate. One type of agency is reminiscent of McGregor's (1960) Theory Y and Likert's (1967) System 4 kind of organization--high on supervisory support, low on interpersonal conflict, high on individual autonomy and concern for the individual. The productivity and retention of new agents entering this type of Theory Y/System 4 agency was superior to the others. More interestingly, the predictability of who would succeed was also better in this kind of agency. And predictability of individual agent success was enhanced in these kinds of agencies when more than the traditional life insurance Aptitude Index Battery (AIB) was used as a predictor. Thus, measures of the degree of fit between new agent expectations of the kind of climate they would find and the climate they actually did find also predicted new agent success; but only in the Theory Y/System 4 kind of agency (Schneider, 1974c).

This latter finding suggests that just as a climate that rewards, supports and facilitiates the display of individual differences in ability may achieve more positive overall results and be a climate in which we are able to predict those who will be best, people bring more to organizations than ability; they also bring their personality.

Here, too, we find good evidence to suggest that the climates an organization creates affects the kind of relationships one will be able to establish between a person's individual attributes and eventual performance. Litwin and Stringer (1968), for example, showed quite clearly that different kinds of climates result in the arousal of the needs for achievement, affiliation and power. Similarly, Alderfer (1972) noted that a staid, old-fashioned New England bank that hired bright, aggressive young management trainees created

a situation frought with conflict because the new people did not fit the existing climate of the bank.

Perhaps the clearest demonstration of this climate/personality mix, however, was a study accomplished by Andrews (1967) who hypothesized that advancement in a firm will be a joint function of an individual's personality (he also measured need for achievement and need for power) and what he called "dominant firm values".

Andrews, conducting his research in Mexico, chose two firms in which to explore his hypothesis. One firm was achievement-oriented, progressive and expansive in its policies, and economically successful. The other was less achievement-oriented, more conservative and traditional, and less successful economically. In the more dynamic company he found need for achievement to be positively associated with managers' rate of advancement while need for power tended to be negatively related; in the more traditional company results were in exactly the opposite direction!

Taken together these studies offer strong evidence for the idea that an organization's climates can have a dramatic effect on (a) the extent to which ability measures will be related to performance and (b) the kind of relationships one can expect to obtain between personality and performance. In short, these results argue for the idea that the validity of selection and placement predictions depends on both the quality of the procedures used as a basis for the prediction and the climate in which the individual will eventually work.

It follows further that if we have increased capability to predict human behavior under conditions of reward and support for the display of individual differences, this means that behavior is both more predictable and people are more satisfied. This follows from the consistent finding that in more supportive organizations and in organizations which reward people as individuals, employees tend to be more satisfied (Lawler, 1974; Schein, 1970).

One suspects that organizations define rigid rules of behavior for their employees so they can gain control over individual differences, so they can accurately predict the behavior of aggregates of employees. It is paradoxical but nevertheless apparently true, that just the opposite kind of climate, a climate supporting and rewarding the display of individual differences, will yield the same predictability of behavior with the added benefit of having a satisfied work force. Thus although the potential to control behavior will have been taken away from management in a climate for individual differences, because accurate predictions will be possible, control would seem to be less necessary. It is precisely this lack of control that should yield the more satisfied work force.

Concluding Comments

I have tried to show in this brief paper that the climates organizations create for their employees can have unintended consequences. They can doom a training and staffing program to failure, they can result in the attraction of undesirable job applicants and they can dictate an inappropriate orientation on the part of employees in service-intensive industries. Only when the management of an organization conceptualizes the organization as a system will these unintended negative consequences be identified.

By conceptualizing the organization as a system I mean that management must be aware of the indirect as well as direct consequences that will surely arise through its goals, practices and procedures. Because an organization, as a system, is a network of interrelated parts, what happens in one subsystem will eventually be transmitted to other subsystems. Thus, a change in the production system of an organization means more than just a change in the way products are produced; it has effects on personnel (a new kind of employee is required), on sales (a new product must be sold), and so on.

More importantly, the goals of an organization, and the way the organization goes about achieving those goals, feeds directly into the way employees conceptualize their organization. These concepts of the organization affect employee behavior, the attraction and retention of employees, and ultimately, the relationship one can expect to find between employee characteristics and employee behavior.

In this paper I have not attempted to review the many direct effects of climate on behavior for this has been accomplished well by others (c.f. Hellriegel & Slocum, 1974). What I hoped to do here was to provide a stimulus for organizational management to ask themselves: "How else are my climates showing?"

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Footnotes

1. At this writing, Visiting Fulbright Scholar, Department of Psychology, Bar-Ilan University, Ramat-Gan, Israel. This paper was the basis for a talk presented at The Recanati Graduate School of Business Administration, Tel-Aviv University, Ramat Aviv, Israel, April 16, 1974.

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3. The In-Basket test is an exercise designed to simulate the kinds of actual day-to-day problems a supervisor/administrator is likely to encounter in his job. The problems faced include interpersonal relations, policy decision-making, resolving conflict, keeping a date-book, and so forth. The exercise has proven very useful in identifying management potential (c.f. Campbell, Dunnette, Lawler & Weick, 1970).

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